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April 12, 1996

The Honorable Reed Hundt
Chairman
The Honorable Rachelle B. Chong
Commissioner
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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APR 12 1996

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

Re: Docket #96-45

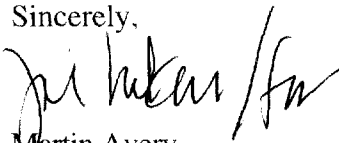
Dear Chairman Hundt and Commissioner Chong:

On behalf of President Albert Hale, enclosed is the Navajo Nation's comments on the proposed rulemaking regarding the Federal-State Joint Board on Universal Services. The Navajo Nation appreciates the positive efforts of the Federal Communications Commission in implementing rules to enhance our access to advanced telecommunications and information services for Navajo schools, libraries and health care providers including rural and underserved areas. We are particularly grateful for ensuring that Native American communities gain access to telecommunications technology.

As you have requested, the Navajo Nation has identified certain barriers and problems regarding accessing telecommunications. We look forward to working with you.

If you should have any questions, please contact Ms. Irene Herder, Legislative Associate, at the Navajo Nation Washington Office (202) 775-0393.

Sincerely,


Martin Avery
Executive Director

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Enclosure

cc: President Albert Hale
Vice President Thomas Atcitty

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Comments submitted by the
Navajo Nation
before the
Federal Communications Commission
on

April 12, 1996

Re: Docket #96-45

Thank you for inviting the Navajo Nation to comment on the proposed rulemaking regarding the Federal-State Joint Board on Universal Service, published in the Federal Register's March 14, 1996 issue. In the past, Native Americans have not had the opportunity to provide adequate input in telecommunications policy. However, a new awareness has led to revised rules allowing tribes to participate in entrepreneur block auctions. Tribal participation signifies a readiness to accept both authority and responsibility.

The Commissioners' concern about the lack of connectivity to or the penetration rate of basic telephone service has much to do with our extreme isolation, lack of potential return on investment, poor levels of subsidy on behalf of households of great distances from central offices, and failure to provide the equivalent of rural telephone cooperatives in the same sense as were developed throughout non-Indian lands.

Throughout the Navajo Nation, the centers of communities are Chapter Houses (110) and schools (150). The Chapter Houses and schools cannot afford to sustain the high costs of adequate connectivity, especially when such cost reflects distance from switching centers. To suggest "community communications centers" for the Navajo, Hopi and Apache lands is to presuppose what a community might be. For example, Navajo Chapters are local governing centers to which people travel great distances and to which few-to-no entrepreneurial providers would be attracted.

Competition for service provision does not and will not exist, again a result of poor return on investment. A case in point would be the total lack of competition for cellular phone services, with the two "competitors," US West and Bell Atlantic. They appear to have a cozy relationship of dividing the Navajo territory through mutual agreement. Some conclude that wireless services are an answer when being remote in a rural area is a fact, but service provision will not occur without great subsidy to the Navajo Nation.

Core services should provide basic voice, 911-dialing and response systems, and data services common to urban communities. The schools should have high-bandwidth access to

service centers not common to reservation-based communities. Chapter Houses should become true communications centers in keeping with the Navajo cultural base. These accomplishments will not happen without extraordinary efforts and a far keener understanding of the nature and needs of Native peoples and their political, social and economic circumstances.

PROFILE OF THE NAVAJO NATION

The Navajo Nation is the largest and most populous Indian Nation in the United States with an estimated 219,000 members. The Navajo Nation encompasses 17.5 million acres, spanning the states of Arizona, New Mexico and Utah - one third of all total Indian lands in the lower 48 states. The Navajo Nation is larger than the states of Connecticut, Delaware, Maryland, Massachusetts, and Rhode Island combined. Given our geographical composition, the Navajo Nation often encounters complex jurisdiction issues in regard to implementation of state and tribal programs, such as natural resource management, environmental protection and economic development.

Although the Navajo Nation is rich in natural resources and possesses tremendous economic potential, socio-economic conditions on the Navajo Nation are comparable to those found in underdeveloped third world countries. According to the 1990 U.S. Census, approximately one-half of our people residing on or near the Navajo reservation are below the age of 21. Additionally, in 1992, a survey published by the Department of Health and Human Services' Indian Health Service (IHS) reported that approximately 15 percent of the Navajo population is under six years of age and indicated that the population growth is expected to continue with the Navajo Nation birth rate determined at 3.25 percent. This is twice as high compared to the 1987 U.S. birth rate of 1.57 percent. The Navajo Nation is characterized by unemployment levels ranging from 36 to 50 percent depending on the season.

Currently, the scarcity of adequate housing on the Navajo Nation is at a magnitude that can be characterized as a "housing crisis." The Navajo Nation has determined that 13,539 newly constructed homes are needed immediately to alleviate severe overcrowding. Additionally, many existing houses are in disrepair. The Navajo Nation estimates that 23,527 existing housing units on the Navajo Nation are in substandard condition because they lack either running water, indoor plumbing, electricity and/or central heating. This means about 62 percent of housing on the Navajo Nation requires significant improvement. In addition, to a continued extensive home building program.

Basic "necessities" of life, taken for granted elsewhere in America, are sorely lacking on the Navajo Nation: 77 percent of Navajo homes lack plumbing, 72 percent lack adequate kitchen facilities, and 76 percent lack telephone service. Thirty-five percent of Navajo families (12,907 households) presently haul water from windmills or springs to meet their basic domestic water needs. Many of these domestic water systems were constructed prior to passage of the Clean Water Act, and therefore without adherence to, strict standards of water quality and well-head protection required by U.S. Environmental Protection Agency.

ADVANCED SERVICES

Distant Learning Programs

Distant Learning technology grants were never made specifically to the Navajo Nation but it has brought direct benefits to some Navajo schools by way of Northern Arizona University (NAU). NAU extended its Distant Learning technology to schools in Tuba City, Kayenta, and Keams Canyon, enabling children to communicate with teachers and students in other schools as

well as take college courses not available through their communities. Distant Learning has been made possible through NTIA's competitive matching grant programs that provide for public television and radio equipment purchases, including radio and television startups for minority entities. Distant Learning not only allows remote areas to gain access to enhanced education but it also enables students to enjoy equal opportunity educational programming. Lectures on a variety of subjects are taught which includes training teachers. With this technology, the Navajo Nation can provide courses on the Navajo language.

For programs to be hopped from one community to the other is costly and the Tribal educational institutions cannot afford it. The cost of installing one hop is \$40,000. An electronic classroom is required at each site which is estimated to cost \$150,000 per site. Currently, NAU rents space from existing towers that belong to the Bureau of Indian Affairs and the Navajo Tribal Utility Authority to transmit educational programs to Navajo schools. The cost of electrical power for the satellite dishes to transmit programs, a technician to operate the control room equipment, cameras, sounds, clocks and lighting are paid by schools. The cost of setting up a complete program is estimated at \$500,000 to enable distant learning. Included in this cost are basic infrastructure, hardware, and maintenance. The major barrier of setting up a Distant Learning center is the cost due to isolation, distance and obsolete telephone services.

The Navajo Nation requests the Commission to implement rules that will enable Native Americans to utilize Distant Learning at just, reasonable and affordable rates that are comparable to those services provided in non-Indian urban areas.

Telemedicine

Telemedicine is a service that is much needed on the Navajo reservation but the Navajo Nation cannot afford it because it is too expensive. A T1 speed line is required to utilize telemedicine. The Navajo Nation is currently using 56kbps speed and is paying about \$80,000 a year for seven locations. To upgrade to a T1 line would mean paying close to \$250,000 a year.

If cost were not a factor, telemedicine technology, using video-teleconferencing would help deliver health care over long distances between reservation communities to treat patients. It would allow specialists from Albuquerque or Phoenix Indian hospitals located miles away from the reservation to diagnose and treat patients real-time. It would certainly bring enhanced care to the Navajo reservation without transporting the patients. The Navajo Nation requests that this service be made available at affordable rates on the Navajo Nation as enjoyed by urban communities.

NAVAJO BROADCAST SERVICES

Radio Stations

The Navajo Nation Radio Network broadcasts news and programs fifteen (15) minutes per day to radio stations in surrounding communities. These stations include KTDB in Ramah, NM; and KABR in Alamo, NM; KGAK in Gallup, NM; KNDN in Farmington, NM; and, KUTA in Blanding, UT. The Ramah and Alamo stations rebroadcasts some National Public Radio (NPR) programs such as Morning Addition, All Things Considered, Options in Education, and some entertainment programs.

These are public, noncommercial, educational radio stations that provide news and information on community and school activities, including sports. The stations are funded through their respective schools, with matching funds from the Corporation for Public Broadcasting

(CPB). The 100-watt radio station KGHR in Tuba City is owned by the High School board and operated by High School students.

The Navajo Nation's KTNN-660AM is one of the few 50K watts commercial radio stations in the United States. Having acquired KTNN with monies from the Navajo Nation's general revenues and funds provided by the Bureau of Indian Affairs, it owns all its equipment. It is the most reliable and essential station airing news, entertainment, community activities and weather in the Navajo language. Navajo elders and children living in remote areas of the reservation who do not have electricity rely heavily on KTNN through their battery-operated radios for local news, Navajo-relevant information, music and talk show in the Navajo language.

If it were not for the high cost, Navajo Nation would construct more stations to serve its communities because it does not have enough radio stations. It takes a total of \$250,000 to set up one station at 10K watts which is considered a fair station. The most affordable way for the Navajo Nation to obtain stations is through matching grants from the US. Department of Commerce's National Telecommunications and Information Administration (NTIA).

Quality Service is limited due to (1) the mountainous regions in Ramah and Alamo areas of the reservation; (2) the lack of financial resources that would allow for expansion and improvement; and, (3) the lack of financial resources to relocate translators to higher points for AM and FM radio stations.

Television Stations

The Navajo Nation's TV Channel 5 is a noncommercial TV station which has also been supported by grants from NTIA. The station receives downlinks from KNME-Albuquerque public station for rebroadcasting of certain programs and provides three (3) hours or more per week of programming on education, cultural programming, news, and emergency weather information. Upon completion of the installation of the eight translator systems currently under construction, the signals from the translators will rebroadcast programs to Navajo homes that have electricity and can receive TV-UHF reception.

The Navajo Nation has eight TV translator systems at different sites on the reservation. These sites are located at Piney Hill and Hunter's Point serving Window Rock and Ft. Defiance; Roof Butte serving Tsaile; and, Yale Point serving Chinle, Round Rock and Shiprock. All sites have been completed except for two sites at Kayenta and Crownpoint. The completion of the two remaining sites will continue when the weather improves. All equipment has been purchased and installation is on hold until the muddy roads dry up to access the translator sites. These translators require the highest possible points for the best coverage. However, some of the mountainous sites are very steep and virtually impossible to access especially in bad weather. Once the two sites have been completed, these translators will provide services to Kayenta and Crownpoint communities.

The Navajo Nation presently cannot use these UHF signals because they are not yet legally licensed by FCC. Once the two remaining translators are installed, Navajo Nation has yet to complete the ten-year obligation of operating the equipment at Navajo Nation's cost and technically, the equipment would still belong to NTIA. After completion of the ten-year obligation, Navajo Nation would then officially own and operate the translators, thereby transmitting the Navajo Nation TV Channel 5, airing noncommercial, educational, entertainment, news, weather and culturally informative programs.

The TV station has a very good viewing audience who constantly call the TV station to

request more local news and sports, especially basketball tournaments. The Navajo consumers' number one complaint is that "the TV station does not reach enough people" through its limited cable TV systems.

The quality of pictures transmitted through the cable TV system is good but many customers complain that they do not receive local programming. The cable TV programming which Navajo Nation receives is aired from Denver, Colorado. Navajo people travel to Albuquerque, Phoenix, and Flagstaff and to other surrounding areas on a daily basis for business and family matters rather than to Denver. News from Arizona and New Mexico urban areas provide more appeal, interest and actual impact to our Navajo viewers than news programs out of Denver, Colorado. If cost was not a factor, Navajo Broadcast Services would start its own cable services and air programming of interest to Navajo customers, i.e., local news and cultural programs.

The Navajo Nation is also concerned that some Navajo stations are not always provided equal shares of monies awarded. Smaller radio stations that serve the Navajo reservation receive almost no funds from states due to their small population base. For example, one year, a \$21 million grant was made available to the state of New Mexico. Of the total grant, \$19 million was divided among three large New Mexico TV stations and the remaining \$2 million were divided among 11 smaller public radio stations. Our KTDB-Ramah station was one of the 11 stations that received a much smaller award. Navajo radio stations play a vital role in the daily lives of Navajo people. Significant educational programs that Navajo Nation Broadcast Services provides to Navajo communities through these stations are programs such as education on the hantavirus, breastfeeding; AIDS; alcoholism; winter stories; and news on food drops and livestock feed during heavy winter storms.

Navajo Nation Library System

The Navajo Nation Library System provides educational, cultural, and information materials to the entire Navajo reservation and has registered users from every Navajo community. Some users travel more than 100 miles to use the library but the vastness of the Navajo Nation makes it difficult to provide library services. The Navajo Nation Library System consists of the Public Library Services, Research Library Services, and the Book Distribution Services.

The libraries are funded by Tribal general revenues. Almost every school on the Navajo reservation has a library but a few of these libraries are currently networked to communicate via the Internet. The major barrier of networking the libraries is the enormous cost of computers and signing up with an Internet provider to access online libraries. The Navajo Nation Library Systems' ambition is to obtain funding that would allow access to the Internet, including creating its own homepage. The homepage would enable them to secure donations for its book distribution services and computers for all 110 Navajo Chapter communities. Through its Internet homepage, the Navajo Nation Library System will educate the public on Navajo history, literature, and culture. The Navajo Nation recommends that all schools and libraries should have access to advanced telecommunications services at equitable rates for low-income communities.

Telephones

In 1992, John D. Herbert & Associates conducted a feasibility study for a cellular telephone system on the Navajo reservation in the Apache and Navajo counties. The study found that of the 1,373 residents surveyed, 65% of households did not have telephone service. Navajo people with phones were asked whether they would switch if they were to get phone service from

a Tribal-owned business at the same cost and 38% would “very likely” switch to a Tribal-owned phone company. In addition, the following answers were provided by Navajo subscribers that were interviewed.

1. Interruption-free, reliable service: 45% good, 40% fair, and 16% answered poor.
2. Being able to dial and get right through: 31% good, 43% fair, and 20% answered poor.
3. Being reasonable in cost: 27% good, 45% fair and 28% answered poor.
4. Billing accuracy: 31% good, 43% fair and 26% answered poor.
5. As to customer service in general: 30% good, 47% fair and 22% rated poor.
6. Over half of the respondents with phones paid bills in excess of \$61.00. per month.

The following questions are responses or comments of those respondents without a phone. When asked if there was a pay phone available in the area where they lived, 68% said yes and 31% said no. When asked how far to a pay phone? 12% answered approximately 1 mile; 22% approximately 2 1/2 miles; 16% 3 or 4 miles and 17% answered over 10 miles. Nearly one-half (48%) of all respondents without a phone said there was a phone in the area where they have to travel over 5 miles to use that phone. About 70% of respondents said that they did not need phone service or it was too expensive (15% do not need it, 55% too expensive, and 30% other).

The Herbert survey also asked what the likelihood would be of purchasing cellular service if it were to cost \$20 a month? 63% said very likely, 18% somewhat likely, 7% answered not likely at all. At \$20 per month, you could sign up 62-64% of all those without a phone regardless of the reason given for not having a phone.

Navajo customers were also asked how they would rate the overall quality of their present phone service. About 49% said fair, over one-fifth rated the private company as “poor.” Their reasons for a “poor” rating was due to bad operating/physical service conditions. There was also weak customer service relations whereby customers indicated that the repairs took too long. They did not seem to have problems with the billing, party lines, and poorly trained operators. The report indicated that nearly half the poor ratings were due to mechanical and technical problems. Some Navajo customers complained that phone services would be intermittent, rising and then fading, static or not operable particularly in rainy or inclement weather. Some also complained that “they just could not get service.” The huge complaint was that there were not enough public telephones. The report cited some instances where some Navajo people had to drive 70 miles to a telephone. Even people who have traveled to the Navajo reservation have complained that they would be lucky to find one telephone in an area where at least several hundred Navajo people lived.

The Navajo Nation’s telephone provider is the Navajo Communications Company (NCC), owned by Citizens, Inc. NCC provides services to the Navajo people, the Navajo Tribal government and local businesses on the Navajo reservation. According to statements provided by the local telephone company, there are regular access lines and a number of party lines. The local telephone company indicated that some telephone lines are now digital with features such as call waiting and forwarding but they do not currently provide cellular services or Personal Communications Systems (PCS).

The unemployment rate is a big factor of not wanting to subscribe to phone service. According to the Herbert survey, not having phone services available is a great handicap toward employment, health care, and social interaction. A great deal of the reservation is still without land lines.

The main theme that Navajo people have heard over the years is that “it would cost the

phone company more to string land lines to a few people in remote communities than it would generate revenues.” It did not make sense to the local telephone company to serve remote communities 40 miles away in the canyons. The overall cost of putting in land lines 40 miles away by either digging trenches or putting in poles would be expensive. The local telephone company does not currently plan to install land lines in some remote communities because it would reduce their income. It would take a lot of capital to serve the outlying areas and they currently do not want to invest in an expensive endeavor. Their justification is that it would not be economically feasible. This is a very clear impression of an unmet demand of considerable proportion.

The Navajo Nation requests that FCC implement regulations that would allow local phone companies to install public telephones in all communities and chapters because it is consistent with the public interest, convenience, and necessity. The installation of more public telephones is certainly essential to the public health and safety of community members.

Furthermore, Navajo Nation requests that Navajo residents be provided with phone services if they currently live within a few miles of major telephone access lines. Some of these residents are currently being asked to pay \$15,000 up front before they are provided phone service to their home. The Navajo Nation strongly requests that any local telephone company be penalized for charging some Navajo residents “enhanced telephone services” while they are subscribing to “basic telephone service.” We only ask that telephone companies provide equitable and non-discriminatory services to Navajo residents as is provided in non-Indian rural communities.

Current Tribal Network

The Navajo Nation currently has a Wide Area Network which links up the major Tribal agencies and communities but is not sufficiently networked due to its vastness. Only a few divisions within the Tribal government are networked and able to communicate with each other. To enable Tribal offices to utilize advanced telecommunications services, it would require upgrading to high speed modems to handle graphics and lengthy data transmission, including upgrading most computer hardware and software currently being used. This would be an enormous cost to the Tribe. Through its Ethernet backbone, the tribal network can barely support some operating systems such as Mac PC; Windows 95; OS2; UNIX; Novell, Windows NT; and, Windows LanManager but not as efficiently and effectively as we would like due to new versions of software being released on a yearly basis.

The Nation currently uses the 56Kbps rates but if it were to install T1 lines, the cost would be too enormous and unaffordable for the Tribe. There are some underground fiber optic cables on the Navajo Nation but these fiber optic cables only run between main townships and agencies such as Tuba City, Kayenta, Chinle, and Shiprock. Customers have complained that these telephone lines are obsolete and need upgrading to fiber optic cables to enable computer modems to access the Internet for home use. For example, the following is a cost comparison compiled by the Navajo Nation Network in seeking higher speed lines.

The cost for installing 56Kbps versus T1 by locations is as follows:

	Current 56Kbps	Monthly Cost for T1
Window Rock to Shiprock	\$ 857.47	\$2,663.66
Window Rock to Crownpoint	\$ 720.88	\$2,011.06
Window Rock to Chinle	\$ 350.62	\$2,138.00

Window Rock to Tuba City	\$1,077.76	\$5,398.00
Window Rock to Kayenta	\$ 999.93	\$4,338.00
Window Rock to Ft. Defiance	\$ 498.40	\$1,130.00
MONTHLY TOTALS	\$4,505.06 (*)	\$17,678.72

(*) This monthly cost does not include the 24 dial-up modems that are located at each of the above sites. The main reason for not going from 56Kbps to T1 is the cost. The total yearly cost would be \$206,960.64 the first year plus an additional \$10,000 one time cost for the phone company to make the upgrade to a T1 line. The Navajo Nation has already paid an installation cost of \$3,000+ for a T1 link for a couple of offices that are located about 200 yards apart. The monthly service charge for the 200-yard T1 link is \$736.35. The fiber cables are owned and managed by the local telephone company. These are outrageous charges and not consistent with just, reasonable and affordable rates. Navajo consumers should have access to advanced telecommunications and information services that are reasonably comparable to those services provided in urban areas, including rates comparable to that charged in urban areas.

OTHER BARRIERS

Navajo Veterans Miss Online Opportunities

Currently, there are many surveys being conducted on the Internet. One online survey sponsored by the Desert Storm Justice Foundation, is collecting data to show the incredible difficulties Active Duty and non-Active Duty members are having in accessing health care treatment for health conditions related to the Persian Gulf War. Navajo veterans have missed opportunities to participate in these surveys. The statistical results are submitted to Congress, keeping it informed of current problems experienced by Gulf War veterans. Since Navajo veterans do not have access to the Internet and are not able to participate in these surveys, Congress and U.S. Department of Veterans Affairs (DVA) will once more be misinformed as to the needs of Navajo veterans.

The use of modern technology would allow Navajo veterans to use enhanced services to access DVA's World Wide Web server which is rated among the top 5% of all web sites on the Internet. These sites provide informational data such as DVA policies, press releases, benefits services, scholarship information, Persian Gulf Veterans homepage, information for veterans on other services such as DVA medical centers and regional office information, statistics and surveys on veterans.

Lack Of Phone Service Is A Hazard To A Community

Without phone service, it is impossible to call for police, fire protection and emergency medical services because some cluster homes are not located near a police station, medical facilities or any public service centers. For some communities, it takes over an hour to get a response from either the police or the fire department due to the lack of telephones. Some cluster homes have access to electricity, particularly the homes near the major Interstate 40 but they still do not have access to phone service. Navajo Nation requests that all communities comprising of more than twenty residents be provided with phone service whether it be public or residential. The local phone company has absolutely no excuse for not providing a service that is so essential to the public health and safety of a community.

CONCLUSION

As you redefine the Universal Service policy and who it will benefit, please keep in mind that due to the lack of financial resources to implement the basic infrastructure for information technology has kept Indian Nations from advanced and enhanced telecommunications benefits. As a result, the Navajo reservation is currently not sufficiently networked in comparison to many non-Indian communities. In today's digital age, these necessities are almost nonexistent on the Navajo reservation which are standard in schools, health centers, libraries, public meeting places across the nation. We look forward to working with you in improving our social and economic conditions. Thank you for allowing the Navajo Nation to submit our comments.